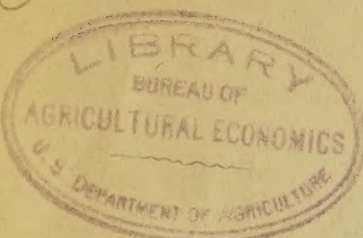


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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROCLAMATION OF THE SECRETARY OF AGRICULTURE

WITH RESPECT TO REINFORCED PAPER FABRIC:

Reserve

"WHEREAS, by subsection (d) of section 15 of the Act of Congress, approved May 12, 1933, as amended, known as the Agricultural Adjustment Act, it is provided that the Secretary of Agriculture shall 'ascertain from time to time whether the payment of the processing tax upon any basic agricultural commodity is causing or will cause to the processors or producers thereof disadvantages in competition from competing commodities by reason of excessive shifts in consumption between such commodities or products thereof. If the Secretary of Agriculture finds, after investigation and due notice and opportunity for hearing to interested parties, that such disadvantages in competition exist, or will exist, he shall proclaim such finding. The Secretary shall specify in this proclamation the competing commodity and the compensating rate of tax on the processing thereof necessary to prevent such disadvantages in competition. Thereafter there shall be levied, assessed, and collected upon the first domestic processing of such competing commodity a tax, to be paid by the processor, at the rate specified, until such rate is altered pursuant to a further finding under this section, or the tax or rate thereof on the basic agricultural commodity is altered or terminated. In no case shall the tax imposed upon such competing commodity exceed that imposed per equivalent unit, as determined by the Secretary, upon the basic agricultural commodity.' And

"WHEREAS, by subsection (c) of section 10 of said Act the Secretary of Agriculture is authorized, 'with the approval of the President, to make such regulations, with the force and effect of law as may be necessary to carry out the powers vested in him by this title, including regulations establishing conversion factors for any commodity and article processed therefrom to determine the amount of tax imposed or refunds to be made with respect thereto. Any violation of any regulation shall be subject to such penalty, not in excess of \$100, as may be provided therein.' And

"WHEREAS, after investigation and due notice and opportunity for hearing to interested parties, and after due consideration of all the facts, I find that the payment of the processing tax on cotton is causing and will cause to the processors thereof disadvantages in competition from reinforced paper fabric by reason of excessive shifts in consumption between such commodities or products thereof. And

"WHEREAS, I find, in view of the physical characteristics of reinforced paper fabric, as a commodity in competition with cotton, as contrasted with the physical characteristics of cotton, that a compensating rate of tax on the processing of reinforced paper fabric necessary to prevent the disadvantages in competition found and proclaimed in this Proclamation with respect to the processing of reinforced paper fabric into reinforced paper fabric tape should be computed and measured by the product of the first domestic processing rather than by the weight of the material entering into processing. And

PROCLAMATION OF THE SECRETARY OF AGRICULTURE

"WHEREAS, I find that, with respect to the processing of reinforced paper fabric into reinforced paper fabric tape the compensating rate of tax, and the rate of tax necessary to prevent such disadvantages in competition in the present Proclamation found, should be specified as a compensating rate of tax on the processing of reinforced paper fabric into reinforced paper fabric tape.

"NOW, THEREFORE, be it known that I, H. A. WALLACE, Secretary of Agriculture of the United States of America, acting under and pursuant to, and by virtue of, the authority vested in me by an Act of Congress known as the Agricultural Adjustment Act, approved May 12, 1933, as amended, after due consideration of all the facts, do hereby proclaim all my findings as above set out, and do hereby specify that the compensating rate of tax on the processing of reinforced paper fabric necessary to prevent such disadvantages in competition is 21.7 cents per thousand 1-inch yards of reinforced paper fabric tape, except that if in any case the reinforced paper fabric tape processed as aforesaid has any cotton content, the tax per thousand 1-inch yards of such reinforced paper fabric tape shall be that amount by which 21.7 cents exceeds the amount of such tax, if any, as shall have been payable pursuant to the provisions of said Agricultural Adjustment Act, or any proclamation thereunder, by reason of the first domestic processing of such cotton content, and/or by the importation of such cotton content in any form into the United States of America or any possession thereof to which said Act applies.

"In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington this 1st day of November, 1935, at 12:01 a.m., E. S. T.

[SEAL]

H. A. Wallace

H. A. Wallace

Secretary of Agriculture